

Message Text

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PAGE 01 BRASIL 03177 221049Z

ACTION ARA-10

INFO OCT-01 ISO-00 SP-02 USIA-06 AID-05 EB-08 NSC-05

TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00

COME-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03

LAB-04 SIL-01 L-03 H-01 PA-01 PRS-01 MMO-01

IGA-02 AGRE-00 /087 W

-----230119Z 063730 /61

R 211215Z APR 77

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC 1200

INFO AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

LIMITED OFFICIAL USE BRASILIA 3177

E.O. 11652: N/A

TAGS: EFIN BR

SUBJECT: EXPORT FORECASTS

REF: BRASILIA 3085

1. SUMMARY. THE BEHAVIOR OF EXPORTS DURING THE FIRST QUARTER REFTTEL AND THE CONTINUED HIGH PRICE FOR COFFEE AND SOYBEANS HAS LED TO THE RELEASE OF A SERIES OF OPTIMISTIC EXPORT PROJECTIONS DURING THE PAST WEEK BY VARIOUS EXPORT GROUPS. SOME OF THESE PROJECTIONS ARE MORE REALISTIC THAN OTHERS.

2. TWO PROJECTIONS WERE PREPARED FOR AND RELEASED BY THE BRAZILIAN EXPORTERS ASSOCIATION. THE FIRST ONE, WHICH WAS A SIMPLE EXTRAPOLATION OF THE RESULTS FOR THE FIRST QUARTER, SHOWED TOTAL EXPORT RECEIPTS REACHING \$14.0 BILLION IN 1977.

THE SECOND, BASED ON THE EXPECTED PERFORMANCE

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PAGE 02 BRASIL 03177 221049Z

OF THE MAJOR EXPORT COMMODITIES, HAS EXPORTS TOTALLING \$13.3 BILLION. THE LATTER

FORECAST SHOWS COFFEE (INCLUDING SOLUBLE)

EARNING \$3.0 BILLION, SOYBEANS AND PRODUCTS

\$2.4 BILLION, AND IRON AND MANGANESE ORE \$1.5 BILLION.

3. ANOTHER PROJECTION, BASED ON ESTIMATES FROM VARIOUS EXPORT

SECTOS COMPLIED BY THE O ESTADO DE S PAULO, SHOWS EXPORTS AT \$16.3 BILLION. THIS FORECAST SHOWS COFFEE (INCLUDING SOLUBLE) EARNING \$4.2 BILLION, SOYBEANS AND PRODUCTS \$3.0 BILLION, AND IRON AND MANGANESE ORE \$1.2 BILLION.

4. A REPRESENTATIVE OF THE FOUNDATION OF FOREIGN TRADE, AFFONSO CELSO PASTORE, IN A SPEECH BEFORE THE IX CONFERENCE OF FOREIGN TRADE THIS WEEK, SAID THAT THE TRADE BALANCE THIS YEAR SHOULD CLOSE WITH A SURPLUS OF \$500 MILLION, WITH EXPORTS AT \$13.0 BILLION AND IMPORTS AT AROUND \$12.5 BILLION.

5. COMMENT. EMBASSY BELIEVES THAT EXPORTS ARE LIKELY TO BE CLOSER TO THE LOWER END OF THE PROJECTED RANGE, I.E., CLOSER TO \$13.0 BILLION. THIS MEANS THAT IF IMPORTS CONTINUE FOR THE REST OF THE YEAR AT THE RATE OF THE FIRST QUARTER(ABOUT 950 MILLION PER MONTH) THEN BRAZIL'S TRADE ACCOUNT MAY VERY WELL CLOSE WITH A SURPLUS THIS YEAR.
CRIMMINS

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Message Attributes

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Control Number: n/a
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Sent Date: 21-Apr-1977 12:00:00 am
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Disposition Case Number: n/a
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